

January 31, 2003

**A MESSAGE FROM THE ASSISTANT SECRETARY
FOR CHILDREN AND FAMILIES**

I am pleased to present the Administration for Children and Families' Audited Financial Statements for Fiscal Year 2002. As the federal government's principal social services agency for children, families, refugees and developmentally disabled individuals, with responsibility for programs that affect the lives of millions of Americans, ACF can be proud of its achievements.

ACF staff continues to perform at a high level of professionalism and excellence. Our employees demonstrate a dedication and positive attitude that reflect concern and compassion for the people we serve.

ACF is leading the reauthorization of the welfare program, Temporary Assistance for Needy Families (TANF). The program has been successful in helping a tremendous number of welfare recipients attain economic self-sufficiency; since the August 1996 passage of the law to June 2002, caseloads are down by 59 percent. Even during the recent economic downturn, welfare caseloads continued to decrease. From December 2001 to June 2002, the number of recipients declined 5.1% from some 5.27 million to approximately 5 million (5,008,034). In May 2002, the House of Representatives passed an adapted version of the Administration's welfare reauthorization proposal. At this time, we are operating under a continuing resolution pending further Congressional action, and look forward to helping even more people achieve self-sufficiency through economic independence.

In FY 2001, nearly 50,000 children were adopted with the involvement of the public child welfare system. The latest numbers represent a 79 percent increase since fiscal year 1996, when 28,000 adoptions were finalized. *AdoptUSKids*, a new national adoption photolisting website that President George W. Bush launched on July 23, 2002 has expanded the Administration's effort to encourage more families to adopt. The website features pictures and description of some 6000 children in foster care who need permanent homes. In addition, the site will maintain a database of approved adoptive families; raise public awareness and recruit families for waiting children; provide information and referral services to prospective adopters and approved families; and provide training and technical assistance. Since the site was launched through September 12, 2002 there were more than 43 million hits.

We look forward to exciting challenges in the coming year. Among these is the passage of welfare and Head Start reauthorizations. We continue to expand the participation of faith- and community-based organizations as partners to achieve our work. We will redouble our efforts to

support the positive development of older children so that they mature into responsible adulthood. We will continue to resettle refugees seeking a better life in this country. We will continue to help people with developmental disabilities realize their full participation in American life. We will continue to promote the social and economic development of Native Americans. And always, we will keep in mind the mission that we as an agency have been given---to assure that our programs help children and families realize their potential for independence and productivity.

/s/

Wade F. Horn, Ph.D